BUDGET RESOLUTION/Defense Cut

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1997-2002 . . . S. Con. Res. 57. Grassley amendment No. 3963.

ACTION: AMENDMENT REJECTED, 42-57

SYNOPSIS: As reported, S. Con. Res. 57, the Concurrent Budget Resolution for fiscal years 1997-2002, will balance the Federal budget in fiscal year (FY) 2002 by slowing the overall rate of growth in spending over the next 6 years to below the rate of growth in revenue collections. The rate of growth in entitlements such as Medicare, Medicaid, the Aid to Families with Dependent Children program, and the Earned Income Credit will be slowed. No changes will be made to the Social Security program, the spending for which will grow from \$348 billion in FY 1996 to \$467 billion in FY 2002. Defense spending will be essentially frozen at its present level.

The Grassley amendment would cut FY 1997 budget authority for defense by \$8.3 billion and would reduce FY 1997 outlays for defense by \$2.3 billion. Also, it would exempt emergency defense spending from the 60-vote Budget Act point of order against exceeding the budget caps. (Currently, emergency spending is exempt from the point of order against exceeding the budget spending caps. This resolution will eliminate that exemption. The Grassley amendment would retain that exemption for defense spending only.)

Those favoring the amendment contended:

Argument 1:

The budget resolution before us will increase defense spending by more than \$11 billion over the President's request. The President's request is based on what the Joint Chiefs of staff tell him that the Defense Department needs to meet United States' interests. In the Budget Committee, we offered an amendment to reduce defense spending to the President's requested level. That amendment was defeated on a tie vote. This amendment is more modest than the amendment that was offered in the Budget

(See other side)

YEAS (42)			NAYS (57)			NOT VOTING (1)	
Republicans	Democrats (36 or 78%)		Republicans (47 or 89%)		Democrats (10 or 22%)	Republicans (0)	Democrats (1)
(6 or 11%)							
Brown Grassley Hatfield Jeffords Pressler Simpson	Akaka Baucus Biden Bingaman Boxer Bradley Bryan Bumpers Byrd Conrad Daschle Dorgan Exon Feingold Glenn Graham Harkin Kennedy	Kerrey Kerry Kohl Lautenberg Leahy Levin Mikulski Moseley-Braun Moynihan Murray Pell Pryor Reid Rockefeller Sarbanes Simon Wellstone Wyden	Abraham Ashcroft Bennett Bond Burns Campbell Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Domenici Faircloth Frist Gorton Gramm Grams Gregg Hatch	Helms Hutchison Inhofe Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roth Santorum Shelby Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner	Breaux Dodd Feinstein Ford Heflin Hollings Johnston Lieberman Nunn Robb	EXPLANAT 1—Official 1 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent inced Yea inced Nay Yea

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Committee. Instead of cutting \$11.3 billion, it would only cut \$8.3 billion.

We note for Senators that last year in the Senate-passed version of the Budget Resolution, the amount that was proposed for fiscal year 1997 was \$253.4 billion. An amendment to increase that amount was defeated on a bipartisan vote, with 60 Senators voting against it. This fact is significant when one realizes that the Grassley amendment this year would give the Defense Department \$256.6 billion, which is an increase of \$3.2 billion. In other words, last year, three-fifths of Senators voted against spending as much as the Grassley amendment would allow. We therefore suggest that there is nothing radical about the amendment--it is a reasonable, compromise proposal.

The reasons we have for supporting cuts in defense spending are the same reasons that we have had for as long as we have been Members. Every year, Defense Department bureaucrats and Members collaborate in a massive porkbarrel spending con game that bloats the defense budget and actually weakens defense capabilities. We want to stop this con game. The first part of the game starts with the Defense Department. Pentagon bureaucrats deliberately underestimate the costs of procuring new weapon systems so that they will be able to start funding for virtually every new proposed system. Then, once production begins, they "discover" that costs will really be much higher. Instead of canceling any of those projects (because no one wants to admit that money has been wasted on a project once it has begun), the decision is then made to cut back on the number of items that will be procured. The result is that economies of scale are lost, and the Defense Department is left with too few items of too many weapon systems that it has to maintain. The next part of this con game is played out in Congress. Members who want to cut defense spending are visited by Senators who sit on the Armed Services Committee, who explain to them that if they vote in favor of cuts then certain low priority defense projects in their States will have to be eliminated. No one wants to be responsible for losing jobs in his or her State, so amendments to cut defense fail. The end result of this game is a bloated, inefficient Defense Department that spends money based more on whose State it is being spent in than on any national defense need.

Every year we hear promises of reform when we propose our spending cuts. For instance, we have been repeatedly assured that savings from the 4 base closure rounds that have taken place would be used to increase procurement spending. However, we have been told this year that the savings have not materialized because the savings have been spent on new infrastructure costs. More specifically, as bases have closed down, the military has taken the savings and spent them on expanding the headquarters at the remaining bases. We are appalled that the money has been wasted in this manner, but we are not at all surprised.

Though it seems to lose weight each time we say it, the United States is going broke. We must not let ourselves become numb to this fact and sleepwalk into bankruptcy. We cannot afford to increase defense spending at this point in our history. We therefore strongly urge our colleagues to support the Grassley amendment.

Argument 2:

The Cold War is over. The United States is the only remaining superpower in the world. It spends more on defense each year than its ten greatest potential adversaries spend put together. This situation is ridiculous. We should cut defense spending by at least as much as proposed in the Grassley amendment.

Those opposing the amendment contended:

Senator Grassley, as he has stated, has been offering amendments to cut defense spending for a long time. For a long time, he has been succeeding. His first big success came in 1985, when he managed to stop the Reagan defense buildup. Every year since then the defense budget has declined. This year we intend to hold the line. We ended up with a fiscal year 1996 authorization of \$264 billion for national defense, which was a reduction from the previous year; the Grassley amendment would have us cut another \$8 billion from that amount. Twelve straight years of cutting defense is not enough for some Senators; now they want to go for a baker's dozen.

With this proposal they are at least not being as extreme as President Clinton, who has proposed an \$11 billion cut. Also, we give our colleagues credit for speaking honestly about their intentions. President Clinton, on the other hand, promised in his State of the Union address that he would not make any further cuts in defense. He then turned around and sent us this budget with an \$11 billion reduction. We are not surprised; given this President's record of saying one thing and doing another, we had no expectation that he was doing anything more than going for cheap applause. We fully expected that he would try to cut defense again, and that he would promise that in future years he would start to restore America's defense capabilities.

President Clinton has seriously weakened the United States' military capabilities. From the Bush budget of 1993 to the proposed Clinton budget of 1997, defense spending will have dropped by more than 11 percent. At the same time, nondefense spending will have increased by more than 23 percent. These cuts that President Clinton made came on top of the reductions in defense that have been going on since 1985. If we look at spending in real terms, we find that over the past decade defense spending has declined 34 percent. If Clinton had treated social spending programs the way he has treated defense, the deficit would have been eliminated in just over 1 year and enough bureaucrats would have been let go to close almost six cabinet agencies. As a percentage of the budget or as a percentage of the Gross Domestic Product, President Clinton has driven defense spending down lower that it has been since

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the Great Depression.

The largest cuts have come in personnel and procurement. President Clinton has slashed the defense civilian workforce by 18 percent. These reductions do not take into consideration the more than 25 percent cut in active duty end strengths between 1990 and 1996. On procurement the cuts have been even more severe. Procurement has dropped more than 70 percent since 1985. We cannot coast forever on 1980s technology. America won the Persian Gulf War largely because its equipment was much better. Every year, the Clinton Administration says that it recognizes the severity of the problem and that next year it will start rebuilding, but when each new year comes up it instead proposes further cuts. Some Senators have made much of the fact that the Pentagon asked for the level of spending that is in the Clinton budget. They are of course aware that every Department of the Federal Government, including the Defense Department, asks for the amount that the White House tells it to ask for. That official request aside, our colleagues are also aware that all four service Chiefs testified before Congress that the President's proposal is inadequate. In 1986, the United States procured 840 new tanks; this year the President proposes that it buy 0. In 1986, it purchased 399 tactical aircraft; this year President Clinton wants to limit it to 34 new aircraft. In 1986, 40 new naval ships were purchased; this year President Clinton wants to purchase 6. The Joint Chiefs of Staff unanimously recommended a procurement budget of \$60 billion as soon as possible, but the Clinton Administration has asked for only \$38.9 billion in procurement. Cuts have been made in other areas as well. Operation and maintenance funding has been slashed, as has funding for training. Additionally, those budgets have been further raided to provide funding for ongoing military operations. The United States is now involved in more trouble spots around the world than it was at any time during the Cold War. This extremely high operating tempo is destroying morale and delaying training for our troops.

Some Senators have suggested that the lower defense budgets of other countries demonstrate that our budget is too high. This analogy limps for several reasons. First, other countries do not have volunteer military forces. They have conscription, and they pay their soldiers next to nothing. If our colleagues favor a peacetime draft we would be interested in hearing it--we, though, oppose it. Second, as the world's only superpower, and as the country that is turned to whenever there is a problem in the world, the United States clearly needs greater military capabilities than other countries. Third, there is no accurate way to measure the costs of defense for totalitarian regimes. How much does it cost for China, for example, to throw State resources and State labor into building tanks? In a command economy, it is not possible to measure costs accurately. Fourth, America relies on technological superiority. That technology is expensive to acquire and maintain. Fifth, America needs to project force by sea and air, both of which entail huge procurement expenses.

Other Senators have pointed out that the Defense Department wastes some money. We do not deny that it does, just as every other Federal Department does. Governments have never been paragons of efficiency. Cutting the Defense Department's spending will just result in a smaller Department that still wastes some money. If our colleagues want to address specific issues to reduce waste in the Defense Department, we will join them, and we have in fact joined them on such efforts in the past. The way to get rid of waste is to cut waste, not the Defense budget.

More than 60 percent, and sometimes nearly 70 percent, of our defense budget is used to pay for our volunteer military force. When 60-70 percent of this budget resolution's proposed defense spending of \$265.6 billion (\$160 billion-\$186 billion), is subtracted, only \$80 billion-\$106 billion is left for all other defense spending--for procurement, for training, for maintenance, and for ongoing operations. Our all-volunteer force is not exactly overpaid. Tens of thousands of soldiers are kept in substandard housing that would be condemned if it were in private hands, and more than 12 thousand active duty personnel are paid so poorly that they are on food stamps. We think that it is disgraceful how poorly our military are treated, and we will not support further cuts in personnel funding in order to pay for other spending. With just around \$90 billion for all other defense spending, and with a definite need for \$60 billion in procurement spending alone, we are not about to cut another \$11 billion from the \$265 billion budget as proposed by President Clinton, nor are we about to cut another \$8 billion as proposed by this amendment. We therefore urge the rejection of the Grassley amendment.